



THE  
LIVINGSTON  
GROUP, L.L.C.

# 5356

DISSEMINATION

for LIBYA file

2008 MAY -2 PM 2:52  
CRM/ISS/REGISTRATION UNIT

**STATEMENT BY ALI AUJALI, THE LIBYAN AMBASSADOR TO THE UNITED STATES (for CNN).**

Libya and the United States have worked together successfully for important and common goals in these last five years—counter-terrorism, non-proliferation, regional and global security, and economic growth and investment. While some outstanding legal issues remain between our two countries, Libya is absolutely committed to resolving them fairly and quickly. In ongoing discussions with the United States, real progress is being made. We stand by our commitments. We rely also on the good faith of the United States not to create impediments that could delay a positive result.

May 1, 2008

**The Livingston Group provides representation for the Government of Libya.  
Additional information is available from the Department of Justice, Washington, D.C.**

2008 MAY -2 PM 2:53  
CRM/ISS/REGISTRATION UNIT

## ***"An Opportunity For Trade"***

By David Hamod

**Journal of Commerce**

Monday, April 28, 2008

In the face of the staggering U.S. trade deficit, Congress has approved legislation that has a chilling effect on U.S. companies seeking trade and investment opportunities in Libya, one of the Mediterranean's most promising markets. Unless Congress agrees to add presidential waiver authority to this legislation, the U.S. once again will give away business — and jobs — to our international competitors.

Section 1083 of the 2008 National Defense Authorization Act subjects U.S. companies doing business in Libya to potentially devastating legal judgments that are based on terrorism cases of the past — a big step backward at a time when policies toward Libya need to be forward-looking.

Libya is not without its shortcomings, but that nation has taken important steps in recent years to return to the community of nations. It was removed from the U.S. list of state sponsors of terrorism in 2006 after renouncing terrorism, paying billions of dollars in compensation to victims' families, handing over suspected terrorist operatives, shutting down its program to develop weapons of mass destruction and, according to the State Department, providing "excellent" counterterrorism cooperation.

I have led two U.S. private-sector delegations to Libya since 2006, and I know from experience that Libya's business community is very enthusiastic about working with U.S. firms. There will be more than \$100 billion worth of new projects in Libya in coming years — in roads, ports, airports, railways, refineries, universities, hospitals, housing and commercial construction — creating the potential to generate thousands of jobs in the U.S. But Section 1083 may cut short those opportunities by placing unrealistic restrictions on U.S. companies.

Our companies are already at a competitive disadvantage in the international marketplace, where European and Asian governments routinely offer subsidies to the private sector in an effort to win contracts in the Arab world and other emerging markets. Our trade competitors also have no qualms about dispatching the head of government to bring home the bacon. While French President Nicolas Sarkozy hosted Libya's Muammar Qadhafi in Paris last December, France received orders from Libya totaling an estimated 10 billion euros — including sales of as many as 30 Airbus aircraft.

Make no mistake: Massive, unprecedented development projects will go forward in Libya, with or without American participation. At a time when other governments have initiated a "full-court press" in support of business in Libya, Congress seems to prefer sitting on the sidelines.

**The Livingston Group, LLC provides representation for the Government of Libya.  
Additional information is available at the Department of Justice, Washington, D.C.**

**DRAFT**  
**REPORT LANGUAGE REGARDING LIBYA**

The Committee takes note of the significant progress that has been made in improving bilateral relations between the United States and Libya. Among the several positive steps taken by Libya in just the last few years are: the complete relinquishment and disarmament of all weapons of mass destruction and the transfer of all nuclear weapons program materials to U.S. control; denouncement of violent political movements; ongoing intelligence sharing and other support for global counter-terrorism efforts against Al Qaeda and radical Islamic fundamentalist; promoting regional stability by participating on several regional peacemaking efforts; providing substantial assistance to deal with the ongoing humanitarian crisis in the Darfur region of Sudan; and making internal reforms to improve human rights and increase political freedom within Libya. All of these efforts create the environment for a new, positive relationship between the U.S. and Libya.

The Committee further notes that the resolution of outstanding claims of U.S. against Libya for acts of violence that occurred during the 1980's is an essential part of any effort towards closer relations between the U.S. and Libya. It is the understanding of the Committee that Libya and the U.S. Department of State are now engaged in high level talks aimed at achieving a comprehensive global resolution of these matters. The Committee welcomes these efforts and urges all parties to make maximum efforts to quickly reach a fair and equitable solution for this matter.

The Committee recognizes the importance of this issue as a foreign policy and national security issue as indicated by the joint letter of March 18, 2008 from the Secretaries of State, Defense, Energy and Commerce, and the negative impact that Section 1083 of Public Law 110-181 may have upon achieving a final resolution of this matter and on the larger U.S.-Libya relations. The Committee notes that Libya was removed from the list of State Sponsors of Terrorism in 2006 and believes that the U.S. Government must be equitable in dealing with this new, important strategic partner.

**DRAFT**  
**COLLOQUY REGARDING LIBYA**

**CONGRESSMAN** Chairman, I rise today to discuss the country of Libya. Since 2003, Libya has made a significant turn-about in its foreign policy. Libya has renounced its claim to nuclear and other weapons of mass destruction. It has normalized its relations with the Western world, and has begun settling the claims from past incidents of violence. Libya has taken this path so that the Libyan people can experience the peace and prosperity enjoyed by so many others in the Community of Nations.

In this process of reconciliation, Libya has paid over \$2 billion to the victims' families as part of an agreed settlement for the Pan Am 103 case. Negotiations are underway to ensure that the families are duly compensated. My deepest sympathy goes out to the victims' families, and I can understand why these families would like to see a fair and equitable resolution to this issue.

**CHAIRMAN:** It is encouraging to hear of these positive developments. We all hope for a successful resolution to these matters. What else has Libya done?

**CONGRESSMAN** In addition to its efforts to resolve these outstanding claims, Libya has been removed from the "State Sponsor of Terrorism" list. Libya has voluntarily relinquished their weapons of mass destruction and repeatedly cooperated with the United States on counter-terrorism efforts. They are helping to resolve the crisis in Darfur. Libya will be participating in a NATO joint naval exercise this year to improve security in the Mediterranean. Libya is positioning itself to be a regional stabilizer for North African and the Middle East. Continued positive engagement with Libya is essential to our efforts to promote peace and security in the world.

Currently Section 1083 of H.R. 4986, the *National Defense Authorization Act of 2008*, which passed earlier this year, may have a significant impact on these positive engagements. Section 1083 places Libya back in the category of a state sponsor of terrorism and makes it easier to attach Libyan assets and the assets of U.S. companies doing business in Libya. It redefines the statute of limitations for claims and limits Libya's rights of appeal. The Secretaries of State, Defense, Energy and Commerce recently asked Congress to adopt a Presidential wavier to address these issues. Congress must take some action to address this problem and ensure the promotion of positive development within this region.



Bob Clement  
Clement & Associates, LLC  
2525 West End Ave., Suite 1100  
Nashville, TN. 37203

Office: 615-963-3443  
Cell: 615-594-1819

April 29, 2008

The Honorable

U.S. House of Representatives  
House Office Building  
Washington, D.C. 20515

Dear

Last week you were kind enough to meet with me and Libya's Ambassador to the United States, Ali Aujali, to discuss improving U.S.-Libya relations. At that meeting we discussed the possibility of a letter to the Speaker in support of including a Presidential waiver of Section 1083 for Libya in the upcoming Supplemental Appropriation bill, with the letter to be jointly signed by you and We would also  
like to have copies your letter to the Speaker sent to Chairman Obey and Subcommittee Chairman Murtha of the Appropriations Committee.

For your convenience I am forwarding to you the attached draft letter with suggested language that you might wish to use in your joint correspondence with the Speaker. We are also providing this language to Congressman for his consideration.

Please let me know if you would like to discuss further or if I can provide any additional information or assistance on this matter.

Sincerely,

Bob Clement  
Member of Congress  
Tennessee  
1988 - 2003

Cc:

The Livingston Group, LLC provides representation for the Government of Libya.  
Additional information is available at the Department of Justice, Washington, D.C.

**DRAFT**  
April 29, 2008

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
H-232 U.S. Capitol Building  
Washington, DC 20510

Dear Madam Speaker:

One of the most remarkable developments of this decade has been the dramatic, positive shift in relationship between Libya and the United States. In just a few short years, Libya has made substantial changes in its foreign and domestic policies and demonstrated through its actions a desire for peaceful and constructive engagement with the U.S. and the West. Maintaining and strengthening this important bi-lateral relationship is in the political, national security and economic interest of our country and we should take every opportunity to nurture the burgeoning partnership with Libya.

The evidence of Libya's good intentions and interest in greater global cooperation are clear and convincing. In 2003, Libya voluntarily relinquished its weapons of mass destruction, and took the extraordinary step of transferring their missiles and nuclear materials to U.S. custody in Oak Ridge, Tennessee. In 2006, Libya was removed from the list of state sponsors of terrorism and full diplomatic relations have been restored. Since September 11, 2001, Libya had been cooperating with U.S. counter-terrorism efforts, providing us with valuable intelligence and support to combat Al-Qaeda and radical Islamic fundamentalist. Libya has moved so far that this year it will be participating in a joint naval exercise with NATO to enhance cooperation on counter-insurgency and counter-proliferation operations in the Mediterranean Sea, a development few of us would have predicted just a decade ago.

Libya is also emerging as an important partner in promoting stability in an often troubled region. The Libyan government has been directly involved in several peacemaking efforts in areas such as Chad and the Democratic Republic of Congo. Libya has also played a vital role in attempts to alleviate the suffering in the Darfur region of Sudan by hosting and subsidizing United Nations World Food Program flights from Libyan territory and opening a humanitarian corridor for Darfur refugees.

Within Libya, there is a growing movement towards greater political freedoms and improved human rights. Over the past several years Libya has freed several hundred political prisoners and prisoners of conscience. Human rights monitoring groups like Amnesty International and Human Rights Watch have been granted access and recognized Libya's progress. There remains much work to do in this area, but these positive steps need our recognition and support to keep building momentum for lasting reform.

As we work to improve our bi-lateral relations with Libya, it is important that we ensure that we secure fair and just compensation for the families of American victims killed by acts of violence associated with Libya during the 1980's. Libya has paid over \$2 billion to the Pan Am families -- a good step -- and must come to a final resolution of the Pan Am and La Belle claims if our relationship is going to flourish.

Earlier this year Congress passed Section 1083 of H.R. 4986, *National Defense Authorization Act of 2008*, an expansive new redefinition of the Foreign Sovereign Immunity Act aimed in part at forcing Libya to settle and make payment upon the outstanding claims of these families. Although well intentioned, we believe Section 1083 goes too far and seriously jeopardizes U.S.-Libyan relations. This law continues to lump Libya into the same category with current, active state sponsors of terrorism, denying all of the progress that Libya has made and depriving them of any benefit from their good faith efforts to reform.

One of the key provisions of Section 1083 places all Libyan assets and the assets of any business engaged in commercial activity with Libya at significant risk of attachment for settlement of claims, and lawyers have already served notice of their intent to seek liens against several U.S. companies. Section 1083 complicates and impedes the resolution of these claims and chills relations between the U.S. and Libya; it stifles cooperation between our military and intelligence communities, keeps American business from investing time and resources in the country, and continues the isolation of a country that has demonstrated in concrete actions its desire to fully normalize its relations with the U.S.

Closer ties with Libya offer considerable global security and economic benefits, and we believe that the government of Libya has demonstrated a commitment to cooperation, reform, and the resolution of outstanding claims. **For this reason, we ask that you please support the inclusion of a Presidential waiver of Section 1083 for Libya in the upcoming Supplemental Appropriations bill.** A waiver will provide both latitude and impetus to resolve the final claims made by American citizens, stimulate the Libyan economy with U.S. investment, and encourage continued cooperation and improved relations with a nation that was once a major adversary and irritant of the U.S.

Libya can and should be a strong partner for the United States, a partner in a region where our enemies are many and our friends are few. The successful transition of Libya from rouge nation to peaceful member of the global community will hopefully be a model for other countries to follow on the path to peace. We must not let this important process falter.

Thank you for your consideration.

Sincerely,

**Cc: The Honorable David Obey, Chairman, House Committee on Appropriations**  
**The Honorable John Murtha, House Committee on Appropriations**